



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

April 18, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AUTHORIZE ISSUANCE OF TAX-EXEMPT COMMERCIAL PAPER NOT TO  
EXCEED \$2.5 MILLION AND APPROVE APPROPRIATION ADJUSTMENT TO  
INCREASE THE PROJECT BUDGET FOR HARBOR-UCLA MEDICAL CENTER  
SB 1953 SEISMIC RETROFIT PROJECT (C.P. 86534)  
(SECOND DISTRICT) (4-VOTES)**

**JOINT RECOMMENDATION WITH THE TREASURER AND TAX COLLECTOR THAT  
YOUR BOARD:**

1. Authorize the issuance of tax-exempt commercial paper (TECP) in an amount not to exceed \$2.5 million for the Harbor SB1953 Seismic Retrofit (C.P. 86534).
2. Approve the attached appropriation adjustment to increase appropriation by \$2.5 million which is to be fully offset by commercial paper revenue for the Harbor SB1953 Seismic Retrofit (C.P. 86534).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of the recommended actions will provide funding to complete plan check review activities with Office of Statewide Health Planning and Development, investigation of as-built conditions and other design phase activities on the Harbor seismic retrofit project (the "Harbor SB1953 Project"). Your Board approved proceeding with design on the Harbor SB1953 Project on January 29, 2002.

### Background

The Harbor SB1953 Project was one of seven health facility projects included among the statutorily required or high priority projects listed in the *DHS Hospital Improvement Financing* memorandum from the CAO to your Board dated January 23, 2006. In the January 23, 2006 memorandum, our office recommended providing remaining project funding through the issuance of TECP.

On January 24, 2006, your Board approved the securitization of a portion of the tobacco settlement payments the County expects to receive between 2011 and 2045, and to use the proceeds to finance and refinance certain construction costs related to the LAC+USC Medical Center Replacement Facility (the Replacement Project). On February 8, 2006, the Treasurer and Tax Collector successfully completed the sale of \$319.8 million in Tobacco Bonds, enabling the redemption of \$267.6 million in TECP that had been issued to fund certain construction costs related to the Replacement Project, as well as providing \$20 million for remaining Replacement Project construction costs.

The use of Tobacco Bond proceeds to pay off outstanding TECP for the Replacement Project enabled the County to replenish the short-term financing capacity necessary to fund seven statutorily required and/or high-priority health facility capital projects as recommended in our DHS Hospital Improvement Financing memorandum to your Board on January 23, 2006.

On April 11, 2006, your Board approved the establishment of the Health Facilities Capital Improvement Fund special fund to properly account for the use of TECP proceeds to fund these capital projects.

### Implementation of Strategic Plan Goals

The recommended actions support the Board-approved County Strategic Plan goal of Fiscal Responsibility by enabling the timely continuation of the project, thereby avoiding expenses from scheduling delays.

### **FISCAL IMPACT/FINANCING**

The recommended actions will increase the Harbor SB1953 Project budget by \$2.5 million, increasing total Board-authorized appropriation from \$6.7 million to \$9.2 million. The increase will be funded by \$2.5 million in TECP revenue. Health Services will fund the interest which accrues on the TECP until a long-term financing plan is approved by your Board. The current estimated annual interest cost on \$2.5 million TECP is \$0.2 million.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Not applicable.

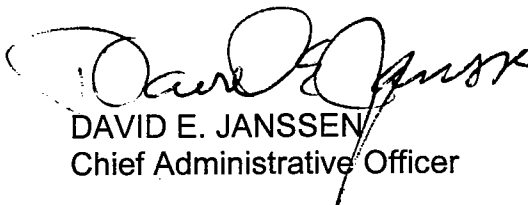
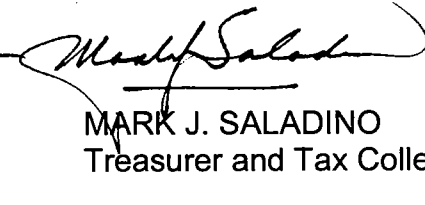
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Not applicable.

**CONCLUSION**

Please return an adopted copy of this letter to the Chief Administrative Office (Capital Projects) and the Treasurer and Tax Collector.

Respectfully submitted,

	
DAVID E. JANSSEN Chief Administrative Officer	MARK J. SALADINO Treasurer and Tax Collector

DEJ:JSE  
DJT:PB:zu

Attachment

**COUNTY OF LOS ANGELES**  
**REQUEST FOR APPROPRIATION ADJUSTMENT**  
 DEPARTMENT OF CHIEF ADMINISTRATIVE OFFICE

DEPT'S. 060  
No.APRIL 11, 2006 ~~19~~**AUDITOR-CONTROLLER.**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFOR**

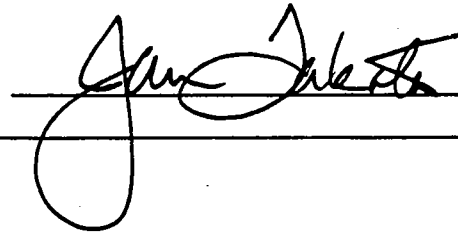
4-VOTE BA  
FY 2005-2006

SEE ATTACHED

**JUSTIFICATION:**

The Budget Adjustment is necessary to supplement the capital project budget (C.P. 86534) to continue design activities without incurring a project delay.

\_\_\_\_\_  
 CHIEF ADMINISTRATIVE OFFICER'S REPORT



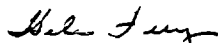
REFERRED TO THE CHIEF  
ADMINISTRATIVE OFFICER FOR—

ACTION

✓  
RECOMMENDATION

AUDITOR-CONTROLLER

BY



No. 315

APR 11 2006

APPROVED AS REQUESTED

AS REVISED

19

CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):  
BOARD OF SUPERVISORS

19

BY

DEPUTY COUNTY CLERK

## BUDGET ADJUSTMENT

### 4 - VOTES

#### Financial Sources

#### Financial Uses

Harbor SB 1953 SPC2/NPC3  
Commercial Paper Proceeds/CP  
J19 - CP - 86534 - 9276  
\$2,500,000 Increase Revenue

Harbor SB 1953 SPC2/NPC3  
Fixed Assets - B & I  
J19 - CP - 86534 - 6014  
\$2,500,000 Increase Appropriation

Justification: The Budget Adjustment is necessary to supplement the capital project budget CP 86534 to continue design activities.